

FILED

AUG - 4 2020

CLERK OF THE COURT
U.S. DISTRICT COURT
CENTRAL DISTRICT OF ILLINOISIN THE UNITED STATES DISTRICT COURT
CENTRAL DISTRICT OF ILLINOIS
URBANA DIVISION

UNITED STATES OF AMERICA,)
)
Plaintiff,)
)
vs.)
)
RICHARD G. SIMMS,)
)
Defendant.)

Case No. 20-CR-20050Title 18, United States Code,
Section 666(a)(1)(A)INDICTMENTCOUNT ONE
(Federal Program Theft)**THE GRAND JURY CHARGES:**Background

1. At all times material to this indictment, the defendant, **RICHARD G. SIMMS**, was the owner and operator of Simms Engineering, LTD. Around March 20, 2014, Simms Engineering, LTD, and the defendant's daughter registered Plum Flower International in the State of Illinois, ostensibly to develop a software application for medical companies to track medical records.

2. At all times material to this indictment, the defendant was also the Executive Director of the Kankakee River Metropolitan Agency ("KRMA"), which was an organization responsible for treating waste water from its member municipalities, namely, Kankakee, Bradley, Bourbonnais, and Aroma Park, Illinois. KRMA also treated wastewater from Manteno and Chebanse, Illinois, by intergovernmental agreement. As

Executive Director of KRMA, the defendant received approximately \$1,124,288 in salary and other legitimate payments from KRMA, which was paid to Simms Engineering, LTD, from 2014 through 2018.

3. Around March of 2014, KRMA obtained a loan from the Illinois Environmental Protection Agency (IEPA), which was funded, in part, by Federal assistance, namely, a \$3 million capitalization grant from the United States Environmental Protection Agency (USEPA). The purpose of the loan was to upgrade KRMA's waste water treatment plant and equipment. From about June 13, 2014, to about October 3, 2016, the USEPA provided approximately \$2,969,743 to KRMA through the IEPA.

4. At all times material to this indictment, the defendant was also the Superintendent of the City of Kankakee's Environmental Service Utility (ESU), which was an organization that served as Kankakee's public works and sewer system. ESU billed Kankakee property owners for the collection of waste water. As the Superintendent of ESU, the defendant received approximately \$1,594,585 in salary and other legitimate payments from ESU, which was paid to Simms Engineering, LTD, from 2014 through 2018.

5. Around February of 2014, ESU obtained a loan from IEPA, which was funded, in part, by Federal assistance, namely, a \$750,000 capitalization grant from the USEPA. From about August 13, 2014, to about July 22, 2015, the USEPA provided approximately \$749,647 to ESU through the IEPA.

The Fraud

6. From around October of 2014 to around April of 2018, in addition to and independent of his salary and other legitimate payments, the defendant (a) obtained by fraud approximately \$768,000 from KRMA to Simms Engineering, LTD, for invoiced software development by Plum Flower International; and (b) obtained by fraud approximately \$1,257,000 from ESU to Simms Engineering, LTD, for invoiced software development by Plum Flower International.

7. The defendant did not obtain approval from the KRMA or ESU Board of Directors to spend \$768,000 or \$1,257,000, respectively, on software development. No contracts were entered into by KRMA or ESU with the defendant, Simms Engineering, LTD, or Plum Flower International to develop software. Nonetheless, as part of the scheme, the defendant submitted invoices from Simms Engineering, LTD to KRMA and ESU for software development.

8. Moreover, the invoices the defendant submitted to KRMA and ESU for software development were fraudulent and inflated, and did not reflect accurate billing for actual services provided by Simms Engineering, LTD or Plum Flower International.

9. Typically, KRMA invoices were submitted to an administrative assistant at the KRMA plant and approved by the KRMA superintendent prior to payment by KRMA's retained accounting firm. The defendant circumvented this procedure, however, regarding the Simms Engineering, LTD invoices for purported software development and submitted them directly to KRMA's accounting firm for payment. Thus, the KRMA superintendent and administrative assistant did not approve these

invoices and were unaware of the Simms Engineering, LTD invoices for software development.

10. From around May of 2014 through around September of 2018, Simms Engineering, LTD transferred over \$2 million to Plum Flower International, which represented over 95% of Plum Flower International's revenue during this time frame. Plum Flower International used approximately \$161,000 of these funds to pay another company to create a software application called Eco App Pro, which Simms Engineering, LTD and Plum Flower International attempted to sell on the open market. The majority of the remainder of the funds were used for the personal benefit of the owners of Plum Flower International.

11. The defendant retired as Executive Director of KRMA and the Superintendent of ESU in 2018. After he retired, the respective Boards learned of the amount of money that the defendant had diverted to Simms Engineering, LTD for software development. Simms Engineering, LTD provided KRMA and ESU with Eco App Pro, which did not serve their purposes and was worth far less than the amount Simms Engineering, LTD had invoiced KRMA and ESU for software development.

12. From on or about August 17, 2015, until on or about August 6, 2018, in Kankakee County, in the Central District of Illinois,

RICHARD G. SIMMS,

defendant herein, being an agent of organizations, namely, KRMA and ESU, said organizations each receiving in a one year period benefits in excess of \$10,000 under a Federal program involving Federal assistance in the form of a loan, obtained by fraud property worth at least \$5,000 and under the care, custody, and control of such organizations.


In violation of Title 18, United States Code, Section 666(a)(1)(A).

A TRUE BILL.

s/Foreperson

s/John Milhiser

FOREPERSON


JOHN C. MILHISER
United States Attorney

ELM